

MINUTES

**MONTANA SENATE
61st LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: Chairman Jeff Essmann, on April 8, 2009 at
4:00 P.M., in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Jeff Essmann, Chairman (R)
Sen. Taylor Brown, Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. Gary Branae (D)
Sen. Ron Erickson (D)
Sen. Kelly Gebhardt (R)
Sen. Kim Gillan (D)
Sen. Bradley Hamlett (D)
Sen. Christine Kaufmann (D)
Sen. Bruce Tutvedt (R)

Members Excused: Sen. Bob Story Jr. (R)

Members Absent: None

Staff Present: Lee Heiman, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary: Hearing & Date Posted: NONE

Executive Action: TABLED: HB 631

DO PASS: DO CONCUR: DO CONCUR AS AMENDED: AMENDED:

SJ 37	HB 312	HB 315	HB 658
	HB 262	HB 636	
	HB 657		

EXECUTIVE ACTION ON SJ 37

00:01:17 **Motion:** Sen. Gebhardt moved that **SJ 37 DO PASS.**

Discussion:

00:01:27 Sen. Gebhardt

00:01:40 **Vote:** Motion carried unanimously by voice vote of those present and voting.

EXECUTIVE ACTION ON HB 312

00:02:12 **Motion:** Sen. Erickson moved that **HB 312 BE CONCURRED IN.**

00:02:36 **Motion:** Sen. Erickson moved that **HB 312 BE AMENDED.**
EXHIBIT(tas77a01)

Discussion:

00:03:10 Sen. Gebhardt

00:03:31 Sen. Gillan

00:03:56 Sen. Brown

00:04:30 Sen. Gebhardt

00:04:39 Chairman Essmann

00:05:06 Sen. Erickson

00:05:16 **Vote:** Motion failed 3-8 by roll call vote with Sens. Gebhardt, Gillan, and Kaufmann voting aye and Sen. Story voting by proxy.

Discussion:

00:06:27 Sen. Erickson

00:06:56 Sen. Gebhardt

00:07:25 **Vote:** Motion carried 8-3 by roll call vote with Sens. Essmann, Gebhardt, and Gillan voting no and Sen. Story voting by proxy. Sen. Hamlett will carry HB 312.

EXECUTIVE ACTION ON HB 315

00:08:27 **Motion:** Sen. Erickson moved that **HB 315 BE CONCURRED IN.**

00:08:42 **Motion:** Sen. Gillan moved that **HB 315 BE AMENDED.**
EXHIBIT(tas77a02)

Discussion:

00:09:22 Lee Heiman, Legislative Services Division (LSD)
 00:09:58 Sen. Gillan
 00:10:37 Sen. Black
 00:10:56 Sen. Tutvedt
 00:11:06 Lee Heiman, LSD

00:11:44 **Vote:** Motion carried unanimously by voice vote of those present and voting.

Discussion:

00:12:05 Sen. Gebhardt
 00:12:28 Sen. Erickson
 00:13:00 Sen. Gillan
 00:13:29 Sen. Black

00:13:40 **Motion:** Sen. Erickson moved that **HB 315 BE CONCURRED IN AS AMENDED.**

Discussion:

00:13:52 Chairman Essmann
 00:14:36 **Vote:** Motion carried 8-3 by roll call vote with Sens. Essmann, Tutvedt, and Story voting no and Sen. Story voting by proxy. Sen. Gillan will carry HB 315.

EXECUTIVE ACTION ON HB 631

00:15:28 **Motion:** Sen. Erickson moved that **HB 631 BE CONCURRED IN.**

Discussion:

00:15:48 Sen. Erickson
 00:16:25 **Substitute Motion/Vote:** Sen. Tutvedt made a substitute motion that **HB 631 BE TABLED.** Substitute motion carried 7-4 by roll call vote with Sens. Branae, Erickson, Hamlett, and Kaufmann voting no and Sen. Story voting by proxy.

EXECUTIVE ACTION ON HB 636

00:18:32 **Motion:** Sen. Gillan moved that **HB 636 BE CONCURRED IN.**

00:18:40 **Motion:** Sen. Gillan moved that **HB 636 BE AMENDED.**
EXHIBIT(tas77a03)

Discussion:

00:19:09 Sen. Gillan

00:21:34 **Vote:** Motion carried unanimously by voice vote of those present and voting.

00:21:56 **Motion:** Sen. Gillan moved that **HB 636 BE CONCURRED IN AS AMENDED.**

Discussion:

00:22:29 Sen. Erickson

00:23:10 Sen. Gebhardt

00:23:47 Sen. Hamlett

00:24:04 Sen. Brown

00:24:38 Sen. Branae

00:24:51 Sen. Story arrived at committee meeting.

00:25:06 **Vote:** Motion carried 6-5 by roll call vote with Sens. Brown, Essmann, Gebhardt, Story, and Tutvedt voting no. Sen. Gillan will carry HB 636.

EXECUTIVE ACTION ON HB 657

00:26:46 **Motion:** Sen. Gebhardt moved that **HB 657 BE CONCURRED IN.**

Discussion:

00:26:54 Sen. Gebhardt

00:28:07 Sen. Black

00:28:35 Sen. Brown

00:29:28 Sen. Gillan

00:30:06 Sen. Hamlett

00:30:19 **Vote:** Motion carried unanimously by voice vote. Sen. Black will carry HB 657.

00:30:36 Sen. Tutvedt left the committee meeting.

EXECUTIVE ACTION ON HB 262

00:30:42 **Motion/Vote:** Sen. Gebhardt moved to **RECONSIDER PREVIOUS ACTION OF TABLING HB 262**. Motion carried 6-5 by roll call vote with Sens. Black, Brown, Essmann, Story, and Tutvedt voting no and Sen. Tutvedt voting by proxy.

Discussion:

00:32:20 Sen. Gebhardt

00:32:41 Sen. Tutvedt returned to the committee meeting.

00:33:24 **Motion/Vote:** Sen. Gebhardt moved that **HB 262 BE CONCURRED IN**. Motion carried 6-5 by roll call vote with Sens. Black, Brown, Essmann, Story, and Tutvedt voting no. Sen. Erickson will carry HB 262.

EXECUTIVE ACTION ON HB 658

00:35:20 **Motion:** Sen. Tutvedt moved that **HB 658 BE CONCURRED IN**.

00:36:15 Break

00:37:16 Reconvene

00:37:30 **Motion:** Sen. Tutvedt moved that **HB 658 BE AMENDED**. [EXHIBIT \(tas77a04\)](#)

Discussion:

00:37:48 Chairman Essmann

00:38:43 Sen. Tutvedt

00:39:13 Sen. Gebhardt

00:41:38 Sen. Hamlett

00:42:01 Sen. Gebhardt

00:42:28 Sen. Story

00:43:11 Chairman Essmann

00:43:13 **Vote:** Motion carried 7-4 by roll call vote with Sens. Branae, Erickson, Hamlett, and Story voting no.

Discussion:

00:44:25 Lee Heiman

00:45:17 **Motion/Vote:** Sen. Gillan moved that **HB 658 BE AMENDED**.
Motion carried unanimously by voice vote.

[EXHIBIT](#) (tas77a05)

Discussion:

00:45:52 Lee Heiman

00:46:20 **Motion:** Sen. Erickson moved that **HB 658 BE AMENDED**.
[EXHIBIT](#) (tas77a06)

Discussion:

00:47:43 Randy Wilke, Department of Revenue (DOR)
00:48:49 Sen. Story
00:49:49 Randy Wilke, DOR
00:51:12 Sen. Hamlett
00:51:50 Randy Wilke
00:52:14 Sen. Tutvedt
00:52:26 Randy Wilke
00:52:34 Lee Heiman, LSD
00:54:01 Sen. Story
00:54:16 Sen. Tutvedt
00:54:49 Lee Heiman
00:55:03 Chairman Essmann
00:55:17 Sen. Gebhardt
00:55:44 Sen. Story

00:56:18 **Vote:** Motion failed 5-6 by roll call vote with Sens.
Branæ, Erickson, Gillan, Hamlett, and Kaufmann voting
aye.

Discussion:

00:57:11 Lee Heiman

00:58:12 **Motion:** Sen. Erickson moved that **HB 658 BE AMENDED**.
[EXHIBIT](#) (tas77a07)

Discussion:

00:58:26 Chairman Essmann
00:58:56 Sen. Tutvedt
00:59:17 Lee Heiman
00:59:56 Sen. Story
01:01:35 Sen. Gillan
01:01:48 Chairman Essmann
01:02:11 Randy Wilke
01:02:27 Sen. Story

Discussion: (Con't)

01:02:52 Randy Wilke
01:03:19 Sen. Story
01:03:48 Randy Wilke
01:05:26 Sen. Story
01:05:44 Randy Wilke
01:05:59 Sen. Erickson

01:06:47 **Vote:** Motion carried 8-3 by roll call vote with Sens.
Black, Gebhardt, and Story voting no.

Discussion:

01:07:39 Lee Heiman

01:08:05 **Motion:** Sen. Tutvedt moved that **HB 658 BE AMENDED.**
EXHIBIT(tas77a08)

Discussion:

01:08:15 Sen. Tutvedt
01:09:20 Sen. Kaufmann
01:09:39 Sen. Tutvedt
01:10:31 Sen. Kaufmann
01:10:44 Sen. Tutvedt
01:11:22 Sen. Kaufmann
01:11:56 Sen. Tutvedt
01:12:23 Chairman Essmann
01:12:31 Sen. Tutvedt
01:12:38 Sen. Kaufmann
01:12:46 Lee Heiman
01:13:04 Chairman Essmann
01:13:13 Sen. Hamlett

01:13:31 **Vote:** Motion carried 6-5 by roll call vote with Sens.
Branæ, Erickson, Gillan, Hamlett, and Kaufmann voting
no.

Discussion:

01:14:29 Lee Heiman

01:14:40 **Motion:** Sen. Tutvedt moved that **HB 658 BE AMENDED.**
EXHIBIT(tas77a09)

Discussion:

01:15:46 Chairman Essmann
 01:16:01 Sen. Tutvedt
 01:16:48 Lee Heiman
 01:17:29 Sen. Gillan
 01:17:50 Sen. Tutvedt
 01:18:27 Sen. Gillan
 01:18:36 Sen. Tutvedt
 01:18:44 Sen. Story
 01:18:58 Sen. Tutvedt
 01:19:11 Sen. Story
 01:19:48 Sen. Tutvedt
 01:20:25 Chairman Essmann
 01:21:00 Sen. Kaufmann
 01:21:21 Sen. Tutvedt
 01:21:53 Chairman Essmann
 01:22:02 Sen. Gillan
 01:22:23 Lee Heiman
 01:22:30 Chairman Essmann
 01:22:43 Sen. Gebhardt
 01:24:09 Chairman Essmann

01:24:32 **Substitute Motion/Vote:** Sen. Essmann made a substitute motion **TO ADD SECTION 3 OF THE PROPOSED AMENDMENT TO HB 658**. Substitute motion carried unanimously by voice vote. (Exhibit 9)

01:24:51 **Motion:** Sen. Tutvedt moved that **HB 658 BE AMENDED WITH SECTION 4 OF THE PROPOSED AMENDMENT**. (Exhibit 9)

Discussion:

01:25:09 Sen. Story
 01:25:38 Randy Wilke
 01:26:06 Sen. Story
 01:26:24 Sen. Hamlett
 01:26:36 Sen. Tutvedt
 01:27:19 Sen. Story
 01:27:46 Lee Heiman
 01:28:09 Sen. Story
 01:28:19 Lee Heiman
 01:28:50 Chairman Essmann

01:29:12 Sen. Tutvedt withdrew motion that **HB 658 BE AMENDED WITH SECTION 4 OF THE PROPOSED AMENDMENT**.

Discussion:

01:29:30 Sen. Story
01:30:04 Sen. Tutvedt

01:30:24 **Motion/Vote:** Sen. Tutvedt moved that **HB 658 BE AMENDED WITH SECTION 6 OF THE PROPOSED AMENDMENT.** Motion carried unanimously by voice vote. (Exhibit 9)

Discussion:

01:30:48 Lee Heiman
01:31:31 Sen. Kaufmann

01:31:43 **Motion:** Sen. Tutvedt moved that **HB 658 BE AMENDED. EXHIBIT (tas77a10)**

Discussion:

01:31:50 Sen. Kaufmann
01:32:00 Sen. Gebhardt
01:33:29 Sen. Kaufmann
01:33:36 Sen. Gebhardt
01:33:52 Sen. Story
01:35:11 Sen. Kaufmann
01:35:18 Jim Standaert, Legislative Fiscal Division (LFD)
01:36:30 Sen. Kaufmann
01:36:42 Chairman Essmann
01:37:09 Sen. Story

01:37:59 **Vote:** Motion carried 6-5 by roll call vote with Sens. Erickson, Gillan, Hamlett, Kaufmann, and Story voting no.

Discussion:

01:39:10 Lee Heiman
01:39:29 Sen. Tutvedt

01:39:55 **Motion:** Sen. Erickson moved that **HB 658 BE AMENDED. EXHIBIT (tas77a11) EXHIBIT (tas77a12)**

Discussion:

01:41:10 Sen. Tutvedt
01:41:38 Chairman Essmann
01:41:50 Sen. Tutvedt
01:42:05 Sen. Gillan

Discussion: (Con't)

01:42:40 Chairman Essmann
01:42:56 Sen. Brown
01:43:06 Sen. Tutvedt
01:43:37 Chairman Essmann
01:44:01 Sen. Brown
01:44:07 Sen. Tutvedt

01:44:52 **Vote:** Motion failed 1-10 by voice vote with Sen.
Gillan voting aye.

Discussion:

01:45:13 Lee Heiman
01:45:48 Chairman Essmann

01:46:16 **Motion:** Sen. Essmann moved that **HB 658 BE AMENDED.**
EXHIBIT(tas77a13)

Discussion:

01:47:05 Chairman Essmann
01:47:59 Sen. Story
01:48:19 Chairman Essmann

01:48:27 **Vote:** Motion carried unanimously by voice vote.

Discussion:

01:48:54 Sen. Tutvedt
01:49:01 Chairman Essmann
01:49:08 Sen. Tutvedt

01:49:14 **Motion:** Sen. Gillan moved to **RECONSIDER PREVIOUS**
ACTION OF ADDING AMENDMENT (Exhibit 10) on **HB 658.**

Discussion:

01:49:27 Sen. Gebhardt objected.
01:49:46 Sen. Gillan
01:50:06 Sen. Erickson
01:50:12 Jim Standaert, LFD
01:50:37 Lee Heiman

01:50:57 **Vote:** Motion carried 10-1 by voice vote with Sen.
Gebhardt voting no.

01:52:30 **Motion/Vote:** Sen. Gillan moved that **AMENDMENT** (Exhibit 10) **BE REMOVED FROM HB 658**. Motion carried 9-2 by voice vote with Sens. Brown and Gebhardt voting no.

Discussion:

01:53:19 Lee Heiman

01:53:52 **Motion:** Sen. Black moved that **HB 658 BE AMENDED. EXHIBIT (tas77a14)**

Discussion:

01:54:12 Chairman Essmann

01:55:17 Sen. Story

01:55:51 Chairman Essmann

01:55:58 Mary Whittinghill, Montana Taxpayers Association (MTA)

01:57:42 Sen. Gebhardt

01:58:10 Chairman Essmann

02:01:58 Sen. Kaufmann

02:02:39 **Substitute Motion:** Sen. Essmann made a substitute motion that **HB 658 BE AMENDED WITH SECTIONS 7, 8, 9, 12 AND 13**. (Exhibit 14)

Discussion:

02:03:41 Sen. Tutvedt

02:04:21 Chairman Essmann

02:04:36 Sen. Tutvedt

02:04:43 Sen. Kaufmann

02:04:58 Dan Bucks, Director, DOR

02:07:27 Chairman Essmann

02:07:34 Sen. Story

02:07:51 Sen. Kaufmann

02:08:08 Chairman Essmann

02:08:15 Sen. Gillan

02:08:58 Chairman Essmann

02:09:06 **Vote:** Motion carried 9-2 by voice vote with Sens. Erickson and Kaufmann voting no.

02:09:43 Sen. Story left the committee meeting.

02:10:12 **Motion/Vote:** Sen. Gebhardt moved that **HB 658 BE AMENDED**. Motion carried unanimously by voice vote of those present and voting.

EXHIBIT(tas77a15)

Discussion:

02:10:40 Lee Heiman

02:11:02 **Motion:** Sen. Hamlett moved that **HB 658 BE AMENDED**.

EXHIBIT(tas77a16)

Discussion:

02:11:17 Sen. Gillan

02:11:30 Lee Heiman

02:11:37 Sen. Tutvedt

02:12:09 Chairman Essmann

02:12:16 Sen. Hamlett

02:12:31 Sen. Gebhardt

02:13:06 Sen. Gillan

02:14:06 Chairman Essmann

02:14:13 Sen. Hamlett withdrew the motion that **HB 658 BE AMENDED**.

Discussion:

02:14:23 Lee Heiman

02:14:43 **Motion:** Sen. Kaufmann moved that **HB 658 BE AMENDED**.

EXHIBIT(tas77a17)

Discussion:

02:14:48 Sen. Kaufmann

02:20:34 Sen. Tutvedt

02:21:11 Chairman Essmann

02:21:23 Sen. Kaufmann

02:22:33 Chairman Essmann

02:23:23 Sen. Gebhardt

02:24:32 Sen. Erickson

02:25:59 Sen. Gillan

02:26:17 Chairman Essmann

02:26:32 Sen. Kaufmann withdrew the motion that **HB 658 BE AMENDED**.

Discussion:

02:26:53 Lee Heiman

02:27:21 **Motion:** Sen. Essmann moved that **HB 658 BE AMENDED.**
EXHIBIT(tas77a18)

Discussion:

02:28:29 Sen. Gebhardt

02:28:38 Chairman Essmann

02:29:16 **Vote:** Motion carried unanimously by voice vote of
those present and voting.

Discussion:

02:29:54 Chairman Essmann

02:30:11 Lee Heiman

02:30:20 **Motion:** Sen. Black moved that **HB 658 BE CONCURRED IN**
AS AMENDED.

Discussion:

02:31:21 Chairman Essmann

02:31:36 Sen. Black withdrew motion that **HB 658 BE CONCURRED IN**
AS AMENDED. The committee will continue with Executive
Action on HB 658 at a later date.

ADJOURNMENT

Adjournment: 6:40 P.M.

Debra Polhemus, Secretary

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Additional Documents:

EXHIBIT ([tas77aad.pdf](#))